GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:401
ANSWERED ON:22.02.2001
PROPOSAL TO RESTRUCTURE OF POWER GRID CORPORATION
SUKENDER REDDY GUTHA

Will the Minister of POWER be pleased to state:

(a) whether the Government propose to restructure the capital of the Power Grid Corporation;

(b) if so, the reasons therefor; and

(c) the manner in which the funds is likely to be made available for the purpose?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) to (c): Disinvestment Commission after considering all relevant factors has recommended that no disinvestment in PGCIL be taken up for the present. The Commission has, however, recommended that PGCIL should study the alternatives for restructuring together with managerial restructuring before embarking on the process of disinvestment. M/s ICICI and SBI Capital Markets were earlier engaged to study the financial engineering of Central Power Sector Undertakingsin the power sector with a view to enabling them to leverage larger resources for investment. M/s ICICI and SBI Cap have been appointed to undertake a joint study to suggest an appropriate model of restructuring of POWERGRID.